

BUDGET, FINANCE & INVESTMENT COMMITTEE

May 27, 2015

5:30 P.M.

Courthouse

MINUTES:

Members Present:

Comm. Rhonda Allen
Comm. Charlie Baum
Comm. Joe Frank Jernigan
Comm. Shawn Kaplan
Comm. Robert Peay, Jr.
Comm. Doug Shafer
Comm. Will Jordan, Chr.

Others Present:

Ernest Burgess
Jeff Jordan
Don Odom
Lisa Nolen
Jeff Sandvig
Gary Clardy
Robert Mitchell
Mark Tucker

Chairman Jordan presided and called the meeting to order at 5:30P.M.with all members being present.

The purpose of the meeting was to review the 2015-16 budgets for the General Purpose School Fund, Central Cafeteria Fund, the Education Capital Projects Fund and the Property Assessor and Reappraisal budgets in the General Fund.

APPROVE MINUTES:

Comm. Shafer moved, seconded by Comm. Jernigan to approve the minutes of the May 19, 2015 Budget Committee meetings as presented.

The motion passed unanimously by acclamation.

BUDGET OVERVIEW:

The Finance Director distributed new fund summary sheets for the Education Capital Projects Fund and the General Purpose School Fund noting the sheets have been revised for updated ADA numbers from the State, and the Assessor's office had provided incorrect assessment numbers when the property tax estimated revenue was originally calculated. The net effect of these changes is a reduction in estimated revenue.

Comm. Peay stated that his spouse is an employee of the School System and he has a conflict of interest on the matters about to be voted on. He declared that his argument and vote answer only to his conscious and to the obligation to his constituents and citizens that the voting body represents.

2015-16 CENTRAL CAFETERIA FUND BUDGET:

Director Nolen advised that the 2015-16 Central Cafeteria Fund budget includes estimated revenues totaling \$16,525,542 and proposed expenditures totaling \$17,505,993.

Comm. Jordan noted that there is no property tax allocated to this budget.

Comm. Allen moved, seconded by Comm. Peay to approve the 2015-16 budget for the Central Cafeteria Fund as presented.

The motion passed unanimously by acclamation.

2015-16 EDUCATION CAPITAL PROJECTS FUND BUDGET:

Director Nolen advised that the 2015-16 Education Capital Projects Fund budget includes estimated revenues totaling \$2,464,438 and proposed expenditures totaling \$3,914,770. The appropriations exceed revenues by \$1,450,332. With this use of fund balance, the ending fund balance at June 30, 2016 would be negative. The property tax currently allocated to this fund is \$0.0437. Property tax needed to balance the budget is \$0.0273. Each penny of the property tax

equals \$531,012. The School Board made their budget request based on property tax of \$0.07 being allocated to the fund.

Comm. Shafer moved to add \$0.0163 to the property tax allocated to the fund. Motion dies for a lack of a second.

Comm. Peay stated that we need to get back to \$0.05 of property tax allocated this fund.

Comm. Baum stated that more dollars are allocated to the fund because of reappraisals.

Comm. Allen moved, seconded by Comm. Kaplan to add \$0.0263 to the property tax allocated to the fund for a total of \$0.07.

The motion failed by roll call vote with Comm. Allen, Comm. Kaplan and Comm. Jordan voting "yes".

Mr. Clardy stated that they are only working on things as they are needed, but with more schools being built, there is a need for greater funding.

Comm. Shafer moved, seconded by Comm. Peay to add \$0.0163 to the property tax allocated to the fund for a total of \$0.06.

The motion passed by roll call vote with Comm. Baum voting "no".

Comm. Allen moved, seconded by Comm. Jernigan to approve the 2015-16 Education Capital Projects Fund budget with revenues of \$3,366,171 and total appropriations totaling \$3,914,770.

The motion passed unanimously by voice vote.

2015-16 GENERAL PURPOSE SCHOOL FUND BUDGET:

The Finance Director reviewed the requests as submitted by the School Board with revenues of \$314,217,772 and appropriations of \$326,144,038 for the 2015-16 General Purpose School Fund budget. As requested and with the current allocation of property tax, the General Purpose School Fund would have a negative fund balance at June 30, 2016 and would need 20.68 cents of additional property tax to meet the state mandated fund balance of 3% of appropriations.

Comm. Allen moved to add \$0.2068 to the current allocation of property tax for the General Purpose School Fund. Motion dies for a lack of a second.

Comm. Shafer stated that he believes \$900,000 could be cut from the budget with some of it being in utility cost based on the energy efficiency improvements that have been added during recent years. This would make the needed increase to property tax less than 20 cents.

Comm. Baum stated that the computers being purchased for the online testing could be used for other things and we could possibly remove some of the computers that we would have purchased any way.

Director Odom stated that they are purchasing laptop and desktop computers and they will be used in classrooms and computer labs. Also, the State allows only a window of time to test the students, therefore testing will be done in the morning and afternoon.

Comm. Baum noted that the 2015-16 budget increased by 6% over the current year, when the current year budget only increased by 2% over the prior year.

Director Odom stated that the funds for raises for teachers provided by the State could only be used for that purpose. The raises account for some of the increase, as well as, computers for testing.

Comm. Allen moved, seconded by Comm. Peay to add \$0.2068 to the property tax rate and allocate the same for the General Purpose School Fund and to approve revenues of \$314,217,772 and appropriations of \$326,144,038 for the 2015-16 budget.

The motion passed by roll call vote with Comm. Baum and Comm. Shafer voting “no”.

PROPERTY ASSESSOR:

Director Nolen distributed the revised recommendation of the Mayor totaling \$1,237,993.

Mayor Burgess stated that there are 14 positions filled and one vacancy currently in the department. His recommendation includes funding the full allocation for the positions plus a step increase just as he has recommended for all other departments.

Comm. Jernigan moved, seconded by Comm. Allen to approve the Property Assessor budget totaling \$1,237,993.

Comm. Allen asked Mr. Mitchell what his intention was as to being on the County pay plan. Mr. Mitchell responded that he was being forced to move off the County pay plan. Mayor Burgess stated that is what he thought Mr. Mitchell’s intention was. Mayor Burgess also made the Committee aware that because of the language contained in the State law, Mr. Mitchell could choose to pay according to the pay plan or take the lump sum of payroll funds and pay it according to how he chose at any time during the year.

Comm. Kaplan asked Mr. Mitchell if the Mayor’s recommendation was acceptable to him. Mr. Mitchell stated that he did not want to get into the middle of the year and have to ask for more people because he was losing them to the employment of the State. Mr. Mitchell also stated that he wants the ability to reward an employee and pay them what they are worth when they do a good job. Comm. Jordan stated that this issue is a problem in every department.

Following discussion, the motion passed by roll call vote with Comm. Peay voting “no”.

REAPPRAISAL:

Mayor Burgess stated that his recommendation for the Reappraisal 2015-16 budget is \$1,015,797.

Comm. Jernigan moved, seconded by Comm. Allen to approve the Mayor’s recommendation.

Comm. Baum suggested that the appropriation for oblique aerial photography should be moved from the GIS budget to the Reappraisal budget.

Mayor Burgess stated that he doesn’t disagree that the oblique photography is needed by the Reappraisal office. He has also found out that there are at least two companies that can fly and obtain oblique and ortho photography at the same time which will save money over time. He stated that Mr. Mitchell thinks that the State requires the oblique data to be no more than 2 years old and that no matter which company performs the flights, the data must integrate with the current CAMA system in place.

Comm. Allen asked what is the advantage of the software cost being in one budget versus another. Brian Robertson explained his method of acquiring software. He stated that his department has managed 15 data acquisitions over the last 12 years. The review of the software is performed by his department and other cities or departments that will be using the data in a fair and equitable review.

Comm. Kaplan stated that the County needs to look at establishing a technology committee.

Following discussion, the motion passed by roll call vote with Comm. Peay voting “no”.

ADJOURNMENT:

Chairman Jordan advised that the next Budget Committee meeting would be our regular meeting Thursday, June 4, 2015 at 5:30 P.M.

There being no further business to be presented at this time, Chairman Jordan declared the meeting adjourned at 7:10 P.M.

Mark Tucker, Secretary